Title: Need to conduct an enquiry into the dealings of DCM Financial Services Ltd., and ensure repayment of their dues to depositors.

SHRI K. YERRANNAIDU (SRIKAKULAM): Sir, the Company Law Board (CLB), in a suo motu order dated 17th July, 1998, announced a new scheme for DCM Financial Services Ltd (DFSL) to make repayments amounting to Rs.76 crore to its 49,005 depositors. According to the order, all deposits up to Rs.5000/- shall be paid on maturity along with interest due. In the case of deposits of over Rs.25,001/-, they will be repaid in four years from the dates of maturity at the rate of 25 per cent each year and the interest for the whole period will be paid along with the last instalment.

The DFSL had widely advertised and accepted deposits for its bills re-discounting scheme in 1996 offering an interest of 17 per cent. It insisted on a minimum deposit of Rs.1,00,000/- and the deposit period was to be 90 days. Many middle-class persons had gone in for the scheme. They were attracted by the offer of 17 per cent interest and the promise of redemption in 90 days. The DFSL not only defaulted in its payments with effect from August 1997 but when the CLB found that its bills re-discounting scheme was irregular, pretended that there was no such scheme. It has been converting the deposits under the scheme into backdated fixed deposits. The CLB order allowing repayment of deposits over Rs.25,001/- in four years will pauperise many of the middle-class depositors. They are already suffering on account of the nonpayment of the money due to them during the last one year. Several depositors are retired persons in the age group of seventy four years. Their money will also depreciate because of unabated inflation.

I request that the Government should intervene in the matter and ensure prompt repayment of the money with interest to such depositors.